



Department of Justice

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**JUSTICE DEPARTMENT OPPOSES DELAY IN IMPLEMENTING FCC RULES TO
PROMOTE LOCAL TELEPHONE COMPETITION**

WASHINGTON, D.C. -- The Department of Justice today filed comments opposing the request by GTE Corp. and Southern New England Telephone Co. that the Federal Communications Commission delay implementing its recently adopted rules to promote local telephone competition, pending judicial review of the FCC's action.

In comments filed with the FCC, the Department's Antitrust Division, stated, "It is essential to the public interest in competition that the Commission and the courts reject all attempts to delay the local exchange competition that Congress intended the Telecommunications Act of 1996 to promote, and to disrupt the cooperation and coordination among the Commission, state authorities, the Department, and private parties on which the success of this complex undertaking depends."

The Act represents a sweeping change in the regulation of the telecommunications industry intended to bring robust competition to the entire market, especially the local exchange market, without delay, the Department said.

The Department stated that it "strongly supports the Commission's adoption of procompetitive regulations."

Among other things, the two companies are seeking to delay the FCC's requirement that telephone companies charge prices based on long run incremental costs when new entrants contract to use portions of the telephone companies' networks. The Department said that the pricing standard adopted by the FCC would result in "prices which are based on future rather than past costs," that "will best foster competitive market incentives and thus are essential to effective implementation of the 1996 Act."

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